

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

SB 1881 – HB 2083

March 21, 2018

SUMMARY OF ORIGINAL BILL: Decreases, from 30 to 15 days, the time period in which a TennCare enrollee has to mail documentation of any material change to information provided in a TennCare application.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014716): Deletes all language after the enacting clause. Requires the Division of TennCare (Division), when the medical assistance program is the payer source for prescription medications, to pay for any opioid prescribed by a nursing home patient's physician with respect to the amount of opioids and the duration of their use when prescribed for a patient that is a medical assistance recipient and residing in a nursing home.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On March 14, 2018, a fiscal memorandum was issued for the bill as amended estimating a fiscal impact as follows:

Increase State Expenditures - \$223,900

Increase Federal Expenditures - \$431,800

The Division of TennCare has provided additional information; given this information, the estimated fiscal impact has been corrected as follows:

(CORRECTED)

Increase State Expenditures - \$246,800

Increase Federal Expenditures - \$476,100

SB 1881 – HB 2083 (CORRECTED)

Corrected assumptions for the bill as amended:

- On January 16, 2018, the Division implemented new rules that stated a member can receive opioid prescription coverage for up to 15 days in a 180-day period at a maximum dosage of 40 morphine milligram equivalents per day (MME per day). Enrollees with severe cancer pain undergoing active or palliative cancer treatment and enrollees in hospice and palliative care are not subject to the new coverage limits for non-chronic opioid users.
- The proposed legislation requires the Division, when the Division is the payer source for prescription medications, to pay for any opioid prescribed by a nursing home patient's physician with respect to the amount of opioids and the duration of their use when prescribed for a patient that is a medical assistance recipient and residing in a nursing home.
- Based on information provided by the Division, in 2017 there were 4,021 prescriptions filled for 618 nursing home residents that either exceeded the 40 MME per day or went beyond 15 days and did not involve an enrollee with either cancer or in palliative care with a total cost of \$722,958.
- The increase in expenditures associated with the additional coverage is estimated to be \$722,958. Medicaid expenditures receive matching funds at a rate of 65.858 percent federal funds to 34.142 percent state funds. Of this amount, \$246,832 ($\$722,958 \times 34.142\%$) will be in state funds and \$476,126 ($\$722,958 \times 65.858\%$) will be in federal funds.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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